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ACCEPTED  
2005 4-26-05

April 26, 2005

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2005 APR 26 PM 2:31  
SC PUBLIC SERVICE  
COMMISSION

Charles L. A. Terreni, Esquire  
Chief Clerk/Administrator  
The Public Service Commission of South Carolina  
P. O. Drawer 11649  
Columbia, South Carolina 29211

RE: SCPSC Docket No. 2005-120-E

Dear Mr. Terreni:

Please find enclosed an original and ten (10) copies of Progress Energy Carolina's Application for Permission to Sell Land That is no Longer Needed to Provide Utility Service.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Len S. Anthony'.

Len S. Anthony  
Deputy General Counsel-General Counsel

LSA:mhm

cc: Mr. John Flitter

223771

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2005-120-E**  
**APRIL 26, 2005**

RECORDED  
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SC PUBLIC SERVICE  
COMMISSION

In the Matter of )	
)	
Application of Progress Energy )	<b>APPLICATION</b>
Carolinas, Inc. For Permission To Sell )	
Land That Is No Longer Needed To )	
Provide Utility Service )	

Pursuant to the Public Service Commission of South Carolina's (the "Commission") Rules 103-830, 103-831, and 103-834 and S.C. Code Ann. § 58-27-1300 (1976) as amended, Progress Energy Carolinas, Inc. ("PEC") applies to the Commission for permission to sell certain land that is not needed to provide electric utility service. In support thereof, PEC shows the following:

1. The name and address of the applicant is:

Progress Energy Carolinas, Inc.  
Post Office Box 1551  
Raleigh, North Carolina 27602

PEC is an electric utility incorporated in the State of North Carolina and authorized to do business in South Carolina. PEC generates, transmits and delivers electricity to the citizens of North and South Carolina.

2. The attorney for PEC to whom all correspondence should be directed is:

Len S. Anthony, Deputy General Counsel  
Post Office Box 1551  
Raleigh, North Carolina 27602  
(919) 546-6367  
Len.S.Anthony@pgnmail.com

3. On January 2, 1973, PEC purchased 11.78 acres of land located in Wilmington, North Carolina for \$17,760.00. PEC then constructed three buildings and a parking area on the property. During 2004, PEC determined that this property was no longer needed in order for PEC to provide electric service to its customers. An appraisal of the property indicated that the property was worth \$2.16 to \$2.7 million. In December 2004, the land was advertised for sale for approximately 45 days. In response, PEC received four offers ranging from \$2 million to \$3.5 million. PEC has entered into a contract with the highest bidder to sell the property for \$3.5 million. From the date of its acquisition the property has been held in Federal Energy Regulatory Commission ("FERC") Account No. 101, Electric Plant in Service. Attached hereto as Attachment No. 1 is the marketing plan for the property containing the appraisal.

4. S.C. Code Ann. § 58-27-1300 provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Therefore, PEC applies to the Commission for permission to sell the land in question. Public notice and a hearing are not required by the statute.

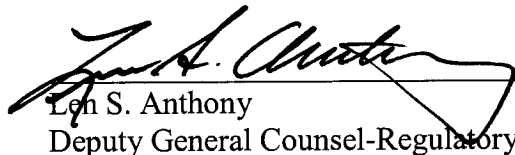
5. PEC's proposed accounting treatment for this transaction is as follows: FERC Account No. 101 will be credited for the book value of the property; and FERC

Account No. 421.1, Gain on Disposition of Property, will be credited for the difference between the book value and sale price.

WHEREFORE, PEC applies to the Commission, pursuant to S.C. Code Ann. § 58-27-1300 (1976) as amended, for an order approving the sale of the subject property.

Respectfully submitted this 26th day of April, 2005.

PROGRESS ENERGY CAROLINAS, INC.




\_\_\_\_\_  
Len S. Anthony  
Deputy General Counsel-Regulatory Affairs  
P. O. Box 1551  
Raleigh, North Carolina 27602  
(919) 546-6367

**VERIFICATION**

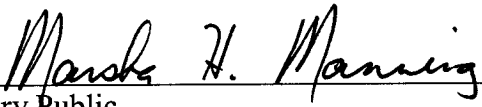
STATE OF NORTH CAROLINA

COUNTY OF WAKE

The undersigned, Bruce P. Barkley, being first duly sworn, deposes and says that he is Manager – Regulatory Accounting for Progress Energy Service Company; that he has read the forgoing and knows the contents thereof; that the same are true of his own knowledge and believes them to be true.

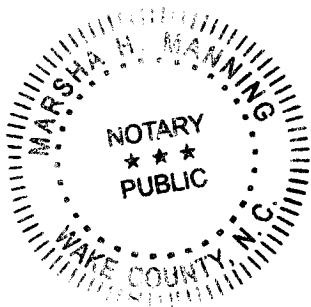
  
Bruce P. Barkley

Sworn to and subscribed to me this 25<sup>th</sup> day of April, 2005.

  
Notary Public

My Commission Expires: 10/03/2009

(SEAL)





December 9, 2004

Mr. John Gallant  
Progress Energy  
411 Fayetteville Street  
Raleigh, NC

**Re: 10.81 Acre Site –  
347 Military Cutoff Road  
Wilmington, NC**

To All Concerned:

In response to your recent request, I am submitting this marketing plan for the property referenced above. The subject property consists of approximately 10.81 acres of land that are improved with three buildings and paved parking areas. The subject property is located on Military Cutoff Road between Eastwood Road and Highway 17 in Wilmington, North Carolina.

We have inspected the subject property, evaluated market data and estimated the market value based on comparable sales and active listings in the area. There are very few recent sales in the immediate area. Much of the new development in the subject's proximity is a result of assembled parcels that were contracted 2 – 3 years ago. Current listings may be a more accurate reflection of the market. Listing prices for similar size sites offering similar exposure in the Wilmington area are \$200,000 to \$250,000 per acre. This would suggest a market price of \$2,160,000 to \$2,700,000 for the 10.81 acres. There are existing buildings on the site which would need to be razed prior to any future development which would drop the value slightly. Due to the limited number of properties and high demand in this market, the actual sales price of the subject property could very well exceed appraised value. Based on the information that we have assembled and analyzed; our market plan is as follows.


- Advertise the property as accepting bids with a starting price of \$2,500,000.
- Contact all prominent real estate brokers and developers in the Wilmington market to make them aware that the property is listed.
- Place a "For Sale" sign on the site within 14 days of authorization
- Aggressively market the site to all prospects
- Market the property for 30 days.

- If at the end of a 30 day marketing period there are an acceptable number of offers, we will assist in selecting the best offer with the most qualified buyer.
- Ensure that all due diligence is completed by the buyer in a timely manner as outlined by a contract to purchase

As previously mentioned, the subject property has existing buildings on the site. Removal of the buildings may or may not be a point of negotiation. We understand that there is a radio tower located on the site that will require 60 – 90 days to remove.

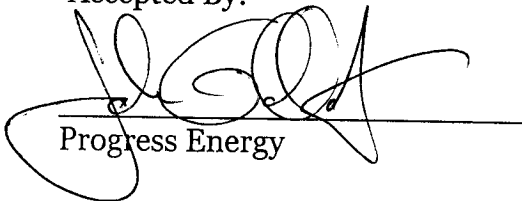
If you have any questions or require further assistance, please do not hesitate to call.

Sincerely,



John M. Allen  
Corporate Realty Advisors

Accepted By:

  
Progress Energy

**(DESCRIPTION OF THE LAND)**

All of the land in a deed from Mittie J. Reaves Todd and husband, Leon M. Todd, Sr., to Carolina Power & Light Company dated January 2, 1973 and recorded in Deed Book 958, page 574, New Hanover County Registry;

LESS AND EXCEPT, that land in a deed from Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. to the State of North Carolina Department of Transportation, dated November 3, 2003 and recorded in Deed book 4127, page 532, New Hanover County Registry;

This property has an address of 347 Military Cutoff Road, Wilmington, North Carolina



**Progress Energy Carolinas, Inc. Property**

